

Approved: 2-15-08

Date

MINUTES OF THE HOUSE TAXATION COMMITTEE

The meeting was called to order by Vice-Chair Richard Carlson at 9:00 A.M. on January 30, 2008 in Room 519-S of the Capitol.

All members were present except: Representative Wilk - Excused

Committee staff present:

Chris Courtwright, Legislative Research Department
Gordon Self, Office of Revisor of Statutes
Ryan Hoffman, Legislative Research Department
Scott Wells, Office of Revisor of Statutes
Rose Marie Glatt, Committee Secretary

Conferees appearing before the committee:

Pat Lehman, Firefighter's Association
Representative Joe Patton
Mark Desitti, KASB; KNEA
Penny Wood, Private Citizen
Ron Hein, Midwest Transplant Network

Others attending:

See attached list.

The following Representatives introduced their young constituents that were shadows for the day:

Representatives Owens introduced Evan Watkins, Tina Wei and Tina's father Michael
Representative Brown introduced Sarah Darby
Representative Menghini introduced Brittnee Albertson
Representative Treaster introduced Austin Kipp
Representative Lukert introduced Alli McKinnon
Representative Dillmore introduced Taylor Schley
Representative Schroeder introduced Nicole Rockhold
Representative McCray-Miller introduced Lauren Bickford

It was noted that minutes from the January 16 and 17th meetings were sent electronically to the Committee on January 23 and, by consensus, approved on January 30, 2008.

Pat Lehman, Firefighter's Association, requested a bill that would change a statute relative to the KSFFA sales tax exemptions. Representative Carlson moved the request. Representative Owens seconded. The motion carried.

HB 2467 - Income tax credit for property taxes paid by taxpayers who are 65 years of age or older

Chris Courtwright explained that **HB 2467** was a bill introduced during the 2007 session. The bill would create a refundable income tax credit for a portion of the property tax paid by taxpayers who are 65 years of age or older. The income tax credit would be equal to the difference in property taxes timely paid on the principal residence of the taxpayer for the year in which the tax credit is claimed and the property taxes paid on that property for tax year 2006. The fiscal note for the first year would be approximately \$22,500 million. If the bill advances the effective year should be advanced.

The Chairman opened the public hearing on **HB 2467**.

Representative Joe Patton appeared in support of the bill (Attachment 1). He told the story of a constituent that may be forced to move because she is unable to pay property tax increases. He said taxpayers should be allowed to use either this refundable income tax credit or the Homestead Property Tax Refund law, but not both. He was not opposed to adding a "means test" to determine eligibility and suggested several ways to recover lost revenue. He answered questions regarding eligibility for the bill,

CONTINUATION SHEET

MINUTES OF THE House Taxation Committee at 9:00 A.M. on January 30, 2008 in Room 519-S of the Capitol.

fiscal note increases, problems associated with shifting taxes and means testing.

Mark Desitta, KASB; KNEA appeared as neutral on **HB 2467**. He said this tax credit would have a negative impact on the state's overall revenue picture and treats all seniors equal, regardless of wealth. He suggested a circuit breaker approach, under which the credit would be activated. He said the Association continues to recommend that the state needs a comprehensive review of the entire tax system to provide long term stability for the state (Attachment 2).

The Chairman closed the public hearing on **HB 2467**.

HB 2362 - Income tax credit for certain expenditures related to living organ donations

Ryan Hoffman, Kansas Research Department, briefed the Committee on **HB 2362**. The bill would provide for a refundable income tax credit for un-reimbursed expenditures related to the living donation of one or more human organs. **HB 2362** limits the credit to \$10,000 and defines a human organ as all or part of a liver, pancreas, kidney, intestine, lung or bone marrow. The fiscal note would be a loss of \$1,000,000 in revenue FY 2008.

The Chairman opened the public hearing on **HB 2362**.

Penny Wood, a renal kidney transplant recipient, spoke about her transplant experience. The associated expenses of her transplant cost her donor a minimum of \$6,000. She said there are potential donors that do not donate organs due to the cost they would incur. There are neighboring states that have passed this legislation and Missouri is considering this tax deduction. She urged the Committee to pass the bill (Attachment 3).

Ron Hein, Midwest Transplant Network, testified that a tax credit would help donors defray direct and indirect expenses associated with giving an organ or bone marrow. This would encourage more donations from living donors where it is appropriate and would decrease the wait time for those on the deceased donor wait list and/or provide a transplant in time to save another's life. He spoke of his personal experience and said he would try to clarify whether the insurance paid for all or part of the donors expenses (Attachment 4).

Discussion ensued regarding specific language on the fiscal note. It was suggested language could be added that would limit this benefit to Kansas residents. The question whether other body parts be considered optional for donations was raised. There was a request to see the cost involved in a transplant procedure and Ron Hein agreed to work with Representative Owens on some type of projection.

The Chairman closed the public hearing on **HB 2362**.

The meeting adjourned at 10:30 a.m. The next meeting is January 31, 2008.